



**CITY OF HAYWARD**  
**AGENDA REPORT**

AGENDA DATE 01/31/06  
AGENDA ITEM \_\_\_\_\_  
WORK SESSION ITEM 2c

**TO:** Mayor and City Council  
**FROM:** City Manager  
**SUBJECT:** Direction Regarding Budget for Fiscal Year 2006-07 and 2007-08

**RECOMMENDATION:**

It is recommended that the City Council review and comment on this report.

**DISCUSSION:**

As previously discussed with the Council, we believe it advisable to return to the past practice of developing a budget that covers two years. Accordingly, this report is intended to provide the Council with a preliminary projection of revenues and expenditures for the General Fund for a two year budget period (2006-08) and to obtain Council direction to guide the preparation of the corresponding budget. As in prior years, the recommended budget will be released in early May with work sessions beginning in late May followed by public hearings and adoption in June.

With respect to the adopted budget, it will only pertain to fiscal year 2006-07. The Charter requires annual budgets, so a two-year cannot be formally adopted. However, as in past years, the second year would represent a financial plan that will ultimately become the basis for a formal budget for 2007-08. Under this structure, the assumption is that unless there are major changes requiring attention in 2007-08, the second year of the proposed budget will largely reflect the intended spending plan for that year. To do otherwise, voids that the savings realized when formulating a two-year budget.

Attached for the Council's review is Schedule A, which presents General Fund revenues and expenditures for the Adjusted Budget 2005-06, staff's estimated budget for 2005-06 and projected figures for 2006-07 and 2007-08.

As reported elsewhere, the 2005-06 budget recognized a revenue shortfall of approximately \$2.1 million. Based on staff's review of revenues and expenditures through December 31, it is estimated that the General Fund will end the year with a revenue short fall of approximately \$.5 million, which is an improvement over the original estimated shortfall. Using the revised revenue and expenditure estimates for 2005-06, staff has developed estimates of revenues and expenditures for 2006-07 and 2007-08. Based on certain assumptions applied to the 2005-06 revenues and expenditures staff is projecting that 2006-07 has potential positive revenue of

approximately \$1.4 million for 2006-07 and \$1.7 million 2007-08. If these projections hold true, the General Fund will have turned the corner and reached a certain level of stability.

## **Two Year Budget Projections for 2006-08**

### **Revenues:**

**Property Tax:** This revenue source has shown consistent growth for the City over the years as a result of continued development and higher property values due to property "turnover" or sales. For the last two fiscal years, this category has averaged a little over 5% net growth (after taking into account the downward adjustment for 2005-06). Taking a conservative view, but allowing for some growth, staff is recommending that a net growth factor of 6% be used for 2006-07 and 5% for 2007-08. In addition, a State property tax "take away" resulting from the passage of Proposition 1A of \$1.9 million (applicable to both 2004-05 and 2005-06) will be returned starting in fiscal year 2006-07. Consequently, the 2006-07 revenue amount reflects not only the growth factor, but also the reinstatement of \$1.9 million in property tax revenue.

**Sales Tax:** For fiscal years 2002-03 and 2003-04 sales tax revenue was essentially flat. Fiscal year 2004-05 showed a resurgence of growth and revenue grew by about 6.8%. While this is good news, it appears that a part of that growth is due to an overpayment of sales tax revenue by the state. More specifically, the state makes "backfill" payments to local entities to make up for lost sales tax revenue stemming from Propositions 57 and 58 which lowered the local share from 1% to .75%. In the current year, 2005-06, the state informed the City that the backfill payments were overstated and that the City's share of the overpayment was \$1.3 million. This amount will be deducted from backfill payments made to the City in 2005-06, which is shown on Schedule A as an expenditure. While this is a one time event, (the state is now using a uniform method of making backfill payments), and will not repeat for 2006-08, it has made estimating sales tax revenue even more problematic.

A review of sales tax growth by major regions shows a fairly wide spread. For example, the Inland Empire, for the year September 2004 to September 2005 experienced a growth rate of 10.8%. At the other end of the scale was the San Francisco Bay Area which saw 4% growth for the same period. The City of Hayward, again for the same period saw a growth rate of about 5.8%. An analysis of Hayward's sales tax activity for this period reveals that new auto sales and construction were the major contributors to this growth rate. Other economic categories such as Business to Business, General Retail, Food Products and Miscellaneous remained essentially unchanged. Taking this information into account and making some judgments as to future business activity staff using a growth factor of 4% for 2006-07 and 4% for 2007-08. Staff believes that these growth factors are supported by the activity to date and yet are conservative enough to allow for some downturn in the economy, particularly in the second year of the two year budget. Staff has also reviewed these growth factors with the City's sales tax consultants and the City's 4% growth factor for 2006-07 agrees with their "most likely" projection for 2006-07. The consultants have made no projection for 2007-08.

Based on staff's projections, sales tax revenue for 2006-07 is approximately \$28.4 million and for 2007-08 \$29.2 million.

**Real Property Transfer Tax:** This revenue source has shown strong growth for the past several years. As property values have increased and as the number of real estate sales has increased, this revenue source has grown. For fiscal year 2004-05 this revenue source generated \$9.7 million in revenue for the City, a substantial increase over the prior year. However, should the real estate market suffer a decline, as has happened in the past, this revenue will also decline. Given the strong performance of this revenue it is certainly tempting to budget for continued growth. However, there are signs suggesting the real estate market is cooling, both in the state and the Bay Area. Given the potential volatility of this revenue source, staff recommends caution and that this revenue be budgeted conservatively. Accordingly, staff is recommending a growth factor of 3% for both 2006-07 and 2007-08, starting with the Estimated Budget amount for 2005-06.

**Vehicle License Fee (VLF):** In past years the basis for this revenue was the number of vehicle registrations and a city's population growth. Following his inauguration in November of 2003, the Governor effectively reduced the VLF from 2% to .65% and subsequently established "backfill" funding which replaced the revenue lost by local agencies. As a result of these actions and additional legislation the VLF is now comprised for the most part of the backfill payments. The backfill payments are funded by property taxes and are dependent on assessed valuation. Consequently, to budget for this revenue it is necessary to look at the "true" VLF component and the assessed valuation of the City. Taking these factors into account and based on information from the County regarding current year payments, staff is estimating 5% growth in 2006-07 and 5% in 2007-08.

**VLF Gap Loan:** The 2005-06 estimate also includes payment for VLF revenue that was "borrowed" by the State. The California 2003-04 budget borrowed three months of VLF backfill owed to local agencies. The State was required to repay the loan amounts by August 15, 2006. The repayment was achieved by the State and the full amount borrowed, \$2.4 million was received in the current fiscal year, 2005-06. This amount will not repeat in future years and accordingly is not reflected in the 2006-08 Projections.

### **Expenditures:**

The single largest expenditure category for the City's General Fund is Employee Services. This category represents approximately 85% of the General Fund's Operating Expenditures. Given the fact that the City is primarily a service provider, this is to be expected. The Employee Services estimate for 2005-06 reflects positions that were frozen with the adoption of the 2004-05 budget. For all units any contractual obligations have been reflected in the budget estimate. In 2005-06 the only unit to receive a contractual increase is Fire. The 2005-06 estimate also includes current rate increases for retirement and other benefits. For planning purposes only the estimates reflect cost increases of 2% for 2006-07 and 3% for 2007-08. Staff would emphasize, however, that both the 2006-07 and 2007-08 Employee Services amounts are general estimates at this point. When the recommended budget is brought to Council later this year, staff will have developed a detailed Employee Services budget and that budget may differ from the estimates referred to above. For the other cost categories, Maintenance and Utilities, assumes a 3% growth factor for both projection years and for Supplies and Services 4% and 3% respectively with no growth for Capital Expense. Net Interdepartmental Charges (Credits) are a function of Employee Services.

## **Budget Approach for 2006-08**

Later in this report, there is a discussion of service level issues, and how they have been impacted by restricted budgets of the past several years. I think that discussion will serve to open a discussion with Council relative to restoration of frozen positions to improve service to the public. As can be seen from Schedule A attached, there is some "room" projected for the upcoming budget cycle. Since there is an opportunity to restore frozen positions, it would seem useful to begin with a common understanding of the service level impacts associated with the budget cuts of the past few years.

In response to a slowing economy, in fiscal year 2003-04 I recommended a budget that froze several positions in the City's General Fund and certain positions in other funds as well. Unfortunately, fiscal year 2004-05 continued to see economic sluggishness and to compound the problem, the State invoked several budget balancing actions that impacted local government negatively. As a consequence the City entered 2004-05 with some 85 frozen positions, of which 83 were in the General Fund.

Fiscal year 2005-06 saw some relief, and I recommended a budget to you that reduced the General Fund frozen positions to 73. While this was an improvement, it still represented a staffing reduction of about 9% in the General Fund. I believe that the impact of those frozen positions to service levels for both internal and external customers was and continues to be significant. At the time that I brought the budget to you, staff discussed the implications of having the positions unfilled in terms of service delivery levels. However, since that time the City has responded to the frozen positions in a dynamic manner and work has been absorbed, reassigned, delayed or deleted. In many cases critical functions have been reassigned to other staff. Staff which has been assigned the new work may be able to accommodate the added responsibilities or they will displace some other tasks that are a lesser priority.

In material previously presented to Council, I discussed the impact of each frozen position by department. This time a somewhat different approach is taken. Instead, as can be seen in Attachment A, our accounting of service level impacts is organized along major service delivery areas. These are General Government, Public Safety, Public Infrastructure, Community and Economic Development, and Library Services. Within each of these areas, I have limited the discussion to those service areas that are directly related to Council policy and public interest.

In addition to providing Council with information about current service levels I hope that this report will assist Council in evaluating services and setting priorities. While I believe that the economy has stabilized, I do not see strong growth in the near future which would provide significant budget relief. As a consequence the City must continue to make difficult choices among many worthy competing priorities.

Based on the above projections, it appears that it is possible to increase expenditures in 2006-07 by about \$1.4 million and still maintain a balanced budget. Of course, the level of increased expenditures authorized for 2006-07, will have a bearing on the amount of new expenditures which can be added in 2007-08. For example, if one were to assume that expenses would be increased by \$1.4 million in 2006-07, this level of expenditure would have to be carried forward to 2007-08. The net result, based on the projections presented above, is

that only about \$ 300,000 in new expenditures can be incurred in 2007-08 and still maintain a balanced budget.

While the staff is not yet ready to make a formal recommendation to you as to which and how many positions should be restored over the next two years, I would like to suggest some relative priorities for your consideration.

Assuming it is possible to restore positions which represent an overall increase of \$1.4 million, I would suggest that between \$750,000 and \$1million of this amount be identified to enable the restoration of some police officer positions, as well as strategic civilian positions in the police department. In the context of civilian positions, the objective will be to look at restoring positions which will free officers to perform duties that can only be performed by sworn personnel. The exact number of positions and the focus of such positions will be developed during the preparation of the budget document. To put this in perspective, it should be noted that the annual cost (salary and benefits) of an officer position is about \$150,000.

Of the remaining \$ 400,000 to \$650,000, I would suggest looking at restoring one or more community preservation positions, and one or more positions in the planning and building inspection divisions. In spite of a less than robust economy, we continue to experience numerous development applications and a related demand for staff services.

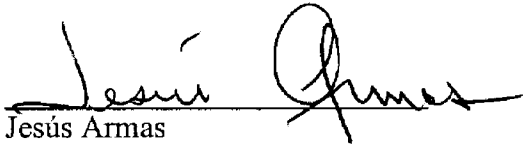
Council direction with regard to these priorities is requested.

Staff is also seeking guidance from the Council as to possible increases, if any, in terms of funding allocations for community promotions and social services programs. For many years, the allocations have been set at \$150,000 for community promotions and \$350,000 for social services. Of course, to the degree that either or both of these amounts are increased, fewer positions can be restored.

Although staff is not yet ready to suggest priorities for 2007-08, it would seem appropriate that the focus continue to be on restoring police personnel, followed by positions in other department to the extent that such positions are involved in the direct delivery of service to the public.

### **Summary**

To a large degree I believe the City's General Fund budget has stabilized. This is of course a relative term in an environment where the State continues to struggle with significant budget issues and government by proposition has become common place. As can be seen from the foregoing discussion, the City's General Fund programs and service delivery must operate within the City's budget resources. Overall, the Council has set fiscally sound budget policy over the years and the City's budgets have reflected that direction. While there is always much that can be done, fiscal constraints require that priorities be set. I hope that the discussion above will assist the Council in establishing such priorities. Staff looks forward to working with Council in developing the upcoming 2006-08 General Fund Operating Budget.



Jesús Armas  
City Manager

Attachments:

Schedule A  
Attachment A

City of Hayward  
Mid-Year Budget Review  
Schedule of Revenues and Expenditures  
General Fund -- 2005-06

Schedule A

	Adjusted Budget 2005-06	Estimated 2005-06	Projected 2006-07	Projected 2007-08	Comments
<b>REVENUES</b>					
Property Tax	\$ 20,652	\$ 20,500	\$ 23,680	\$ 24,864	6% net growth 2006-07, 5%2007-08
Sales Tax	27,295	27,295	28,387	29,522	& return, \$1.9 million State take away
Real Property Transfer Tax	7,710	8,500	8,755	9,018	4% growth, both years
Emergency Facilities Tax	1,700	1,700	1,700	1,700	3% growth, both years
Supp. Bldg. Const. & Imp. Tax	1,200	1,200	1,200	1,200	
All Other Taxes	3,300	3,300	3,300	3,300	
Franchises	6,883	6,883	6,900	6,900	
Licenses and Permits	3,491	3,491	3,500	3,500	
Interest and Rents	561	561	600	700	
Fines and Forfeitures	1,232	1,232	1,300	1,300	
Vehicle License Fee					
VLF	8,463	10,478	11,002	11,552	5% growth, both years
VLF Gap Loan Repayment	2,200	2,454	-	-	
	10,663	12,932	11,002	11,552	
All Other From Agencies	2,913	2,913	2,913	2,913	
Fees and Service Charges	2,493	2,493	2,500	2,500	
Other Revenue	2,887	2,887	2,900	2,900	
<b>Total Revenue</b>	<b>92,980</b>	<b>95,887</b>	<b>98,637</b>	<b>101,869</b>	
<b>Recurring Transfers In</b>	<b>5,131</b>	<b>5,131</b>	<b>5,131</b>	<b>5,131</b>	
<b>Public Safety Radio Reserve</b>	<b>1,600</b>	<b>1,600</b>	<b>-</b>	<b>-</b>	
<b>Total Resources</b>	<b>\$ 99,711</b>	<b>\$ 102,618</b>	<b>\$ 103,768</b>	<b>\$ 107,000</b>	
<b>EXPENDITURES</b>					
Employee Services	84,574	84,574	86,266	88,853	2% 2006-07, 3% 2007-08
Maintenance and Utilities	3,900	3,900	4,017	4,138	3% growth factor both years
Supplies and Services	9,901	9,901	10,297	10,606	4% 2006-07, 3% 2007-08
Capital Expense	225	225	225	225	
Net Interdept. Charges (Credits)	(3,694)	(3,694)	(3,796)	(3,910)	
<b>Operating Expenditures</b>	<b>94,906</b>	<b>94,906</b>	<b>97,009</b>	<b>99,912</b>	
<b>Recurring Transfers Out</b>	<b>6,938</b>	<b>6,938</b>	<b>5,338</b>	<b>5,338</b>	
<b>Total Expenditures</b>	<b>101,844</b>	<b>101,844</b>	<b>102,347</b>	<b>105,250</b>	
<b>Excess Revenue (Expenditure)</b>	<b>(2,133)</b>	<b>774</b>	<b>1,421</b>	<b>1,750</b>	
<b>Sales Tax Repayment</b>		<b>(1,322)</b>			
<b>Net Revenue (Expenditure)</b>	<b>(2,133)</b>	<b>(548)</b>	<b>1,421</b>	<b>1,750</b>	
<b>Use of Contingency Reserve</b>	<b>2,133</b>	<b>548</b>	<b>-</b>	<b>-</b>	
<b>Net Revenues/Reserves (Expenditures)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

## **Attachment A**

### **General Fund Service Level Impacts and Considerations**

#### **General Government**

General Government refers to the General Fund departments of Mayor and City Council, City Clerk, City Manager, City Attorney, Human Resources, and Finance and Internal Services.

#### **Key Service Impacts:**

- The General Government area is authorized 121 FTE's of which 11.5 FTE's are frozen, or a reduction of about 10%
- Legislative analysis, research and support for Council projects. Previously staffed by Administrative Analyst II. Most critical duties such as administration of City's cable television franchise reassigned.
- Public Information Services, support for several Council and City projects such as the Hayward Volunteer Recognition and Awards Dinner, MLK Celebration and others has been reduced. Limited opportunities develop marketing information, or publications of interest to the public.
- The Technology Service Division of the City Manager Department has three positions frozen, Information Systems Manager, Programmer Analyst and Computer Operator Analyst. Time available for development and special projects is significantly limited.
- Finance and Internal Services has a Senior Account Clerk position frozen in the Accounting Division resulting in a general slowdown of processing times for various areas such as accounts receivable and payable. The Auditor position is frozen resulting in no internal audit projects and various administrative functions. Reviews of various financial schedules during budget preparation and the audit are reassigned to the extent possible or no longer done.



## **Public Safety**

Public Safety consists of the Police and Fire departments.

### **Police Services: Key Service Impacts**

- The Police Department has 338.2 full time equivalent (FTE) positions authorized of which 34.5, about 10%, are frozen.
- Investigations. This unit had 13 Inspectors and two Police Officer Detectives responsible for following up major and violent crimes, and for preparing cases for prosecution. One of the two police officer detective positions was frozen resulting in a general slowdown of case processing by approximately 7%. In response, this position was backfilled with an Officer from Patrol.
- Investigations Support. One Police Records Clerk position was frozen resulting in a 50% reduction of clerical support. Some case reproduction and transcription duties have been assumed by the investigators resulting in a slowdown of the investigation process by an additional 10%, and a reduction in their capacity to process cases by 10%.
- Crime Analysis Program. One Administrative Analyst II and one Police Records Clerk were frozen and the program was eliminated. This unit collected, analyzed, interpreted and reported on criminal activity throughout the City. Police investigators relied on it to identify trends and factors critical to resolving investigations. Beat officer deployment was optimized using crime analysis data. Certain mandated reporting duties of this program were reassigned to other staff.
- Special Duty Unit. This unit is tasked with the suppression of violent crime, which is inherently dangerous. Assignment to the Special Duty Unit requires specially trained personnel. This unit consists of two teams, each formerly staffed by five Police Officers and one Police Sergeant. With the elimination of two Police Officer positions (one per team), overall team staffing has been reduced by 20%. This directly relates to a reduction in our ability to respond by 20%. Routinely, the supervisors are required to act as team members for officer safety reasons. This impacts their supervisory responsibilities.
- Narcotics Enforcement. This unit was formerly staffed with a total of four sworn personnel. With the 2004-05 budget, one Sergeant and three police officer positions were frozen, totally eliminating our undercover investigations capability.

- **Patrol and Traffic Enforcement.** A total of six Police Officer positions frozen in the FY 04-05 budget. The Traffic Bureau lost four of 11 authorized police officers, and the Patrol Bureau lost two. An additional Patrol Officer was lost due to reassignment as a Detective in Investigations. Minimum staffing continually requires Traffic to augment Patrol, compounding the loss to the Traffic Bureau. As a result, our efforts have shifted almost entirely to investigating and following up fatal, injury and hit and run accidents. Traffic enforcement responsibilities have largely been shifted to Patrol.
- **Downtown Officer.** One of two Police Officers assigned to the Downtown Walking Beat was frozen. These officers are tasked with working with the merchants and the community to address those issues unique and specific to the downtown area.
- **Animal Care Attendant.** One of eight Animal Care Attendant positions was frozen. These employees provide care for the animals being held in the Shelter seven days per week. Additionally, they work with the public facilitating adoptions. A combination of the existing minimum staffing necessary to cover the seven day per week care, and the high turnover rate in this classification, has forced the Shelter to periodically reduce the hours it is open to the public. Reduced public hours directly translate into reduced adoptions and an increase in euthanasia.
- **Property & Evidence.** One of four authorized C.S.O. positions has been frozen. This unit receives, catalogues and stores all evidence collected in the course of criminal investigations, while maintaining and documenting the chain of custody. Chain of custody is essential for any item to qualify as evidence in a criminal proceeding. The loss of this position has seriously impacted the unit's ability to purge evidence that is no longer needed.
- **Parking Enforcement Program.** This program lost one of two Community Service Officers. It is responsible for responding to parking complaints and violations, and targeted special situations such as street sweeping enforcement. The loss of this position reduces our ability to address timed and permit parking, and abandoned vehicles by 50%. It additionally increases our overtime costs, as we must assign higher cost Police Officers to address the demand for these services.
- **Crime Scene Technician –** One of six Crime Scene Technician (C.S.T.) positions has been frozen. C.S.T.'s are specially trained for crime scene processing and evidence collection, and it is often their specialized abilities that make or break a criminal prosecution. Formerly, there was one C.S.T. assigned to each patrol shift. With this reduction, one shift must rely on Police Officers to cover this need.

- Community Service Officer Program. This program supports many services demanded by the community such as taking lower priority police reports, addressing abandoned vehicle issues, directing traffic and providing parking enforcement. This program was staffed by nine CSO's in FY 02-03. Four of these positions have been frozen resulting in a reduction in staffing of 44%.
- Communications Operator. One half FTE Communications Operator out of 14 authorized positions is frozen.
- Youth and Family Services Bureau. The YFSB Manager and one Police Records Clerk positions are frozen. This reduces clerical support by 50%. The supervisory responsibilities have been shifted to Investigation Bureau Lieutenant resulting in an extended span of control. Among the services impacted is our ability to track missing and runaway juveniles.
- Gang Intervention & Education Program. One full time police officer conducted intervention and prevention programs targeting youth in our schools and community who are at risk of becoming involved in gangs. This position was frozen and the program eliminated.
- Planning and Research. This program was authorized one Administrative Analyst II position to seek and prepare grant applications, conduct research projects and assist in updating policies and procedures. This position was frozen, the critical functions were reassigned, but most have been eliminated.
- D.A.R.E. Program. Staffed by one full time police officer this program reached approximately 2,300 elementary school students spanning twenty-eight Hayward schools each year. This position was frozen and the program eliminated.

#### Fire Services: Key Service Impacts

- The Fire Department currently has the position of Battalion Chief, Training Division frozen. The freezing of this position has impacted the Department's training program in several areas. For example, this position has oversight over such areas as promotional and entry level examinations, continuing education and recertification for EMT and Paramedics, any Federal and/or State mandated training, Hazardous Material training and responsibility for the Community Emergency Response Teams (CERT) program. The impact of having this position frozen is to redistribute these critical functions to the Shift Battalion Chiefs, which in turn limits the time available for normal ongoing duties.

## **Public Infrastructure**

Public Infrastructure refers to programs undertaken by the Public Works Department for such areas as streets, utilities (sewer and water) and maintenance.

In this report only service impacts resulting from the freezing of positions in the General Fund are discussed.

### **Public Works Department: Key Service Impacts**

- The Public Works Department has 86.75 FTE authorized for the General Fund. Presently, nine positions, or about 10%, are frozen
- Engineering and Transportation Division. This division has two senior engineering positions frozen, a Senior Civil Engineer and an Associate Civil Engineer. These positions would normally be responsible for project management of larger and more complex capital improvement projects such as the Burbank School and the Cinema Place Parking Structure as well as review of work by more junior staff. Some of this work has had to be redistributed to either the section manager or to less experienced engineers. The service impact of this action has been a reduction in design oversight and a re-prioritization leading to delay of less critical projects.
- Street Maintenance Division. This division has four general fund positions frozen, a Maintenance Leader, and three Maintenance Workers representing approximately 25 % of the street maintenance and traffic services staffing. The service impact of having only one street maintenance crew rather than two is a reprioritization of what street repair work can be accomplished, specifically reducing the amount of non-essential street and sidewalk patching done, especially during the rainy season when priority is given to storm drain maintenance. Also results in delays in pickup of debris citywide.
- Landscape Maintenance Division. A Groundskeeper I position is frozen in this division. This position is used to maintain medians, roadside landscaping, and landscaping around public buildings. The impact of freezing this position has been to direct available resources to maintain more visible and heavily traveled areas within the City. Tree and weed growth in other areas is managed based on staff availability and degree of weed and litter problems.
- Tree Maintenance. This division is responsible for the maintenance of approximately 30,000 City trees. Activities include inspection, trimming, removal, root pruning and replacement. Currently there are two positions frozen, a Laborer and Tree Trimmer. This has resulted in a reduction of one Maintenance Crew. The service impact has been to extend the 12 year

tree trimming schedule to 16 years. The response time for request to remove a tree has been extended from six months to about one year.

## **Community and Economic Development**

The Community and Economic Development area covers a broad range of City Services and is addressed by the Community and Economic Development Department. The primary focus of the Department is the management of future development to assure the economic health of the community and provide a high quality of life for residents. Operations currently supported by the General Fund include Current and Advance Planning, Plan Check, Building Inspection, Rental Housing Inspection, Community Preservation and a small portion of the Economic Development Program.

### **Community and Economic Development Department: Key Service Impacts**

- The Community and Economic Development Department, in the General Fund, has 63 positions authorized of which 8.5 are frozen, or about 14%.
- Current Planning Program. This program reviews all development proposals for compliance with State law, City policies, standards and design guidelines. Because there is only one Senior Planner position in Current Planning, the most complex and important development projects must be reviewed by the Principal Planner and Planning Manager in addition to their supervisory, administrative and policy work. While high profile projects receive the requisite attention they deserve, it means that less staff time is available to focus on less substantial projects. .
- Advance Planning Program. This program has been restructured by freezing one FTE Associate Planner position, reducing the Planning Illustrator to .5 FTE and eliminating .5 FTE Planning Intern. These actions have resulted in a significant reduction in data analysis capacity and in the conduct of area studies.
- Community Preservation. This program has been reduced from six Inspectors and one Senior Inspector to four Inspectors and one Senior Inspector by freezing two Inspector positions. On the average an Inspector handles 250 cases per year which includes Zoning, Sign, Weed and Vehicle abatement, Community Preservation and Graffiti violations. This results in about 500 fewer cases handled and a 30% reduction in staffing.
- Economic Development Program. The Economic Development Program conducts business expansion and retention activities and has been funded through the General Fund and the Community Development Block Grant program. The General Fund segment of the program was staffed by one FTE Economic Development Specialist position, which is currently frozen.

The service impact has been to severely constrain the business visit program, business attraction and retention efforts, and site location assistance. A .5 FTE Secretary is also frozen.

- **Plan Check and Inspection.** The Building Division includes Building Inspection and Plan Check functions to foster the health and safety of the community through building code compliance. Prior to any staff reductions, this program was staffed by one Plan Check Engineer, one Senior Plan Checker and three Plan Checkers. Currently the Senior Plan Check position is frozen. The service impact has been to reduce the ability to provide plan check staff to the Permit Center counter by about 20%. Additionally, the remaining staff has had to assume an increase in the number of plan checks assigned. Staff estimates that the average turnaround time for first punch list or approval of plan checks has gone from 25 days to 30 days and the time for a second review has gone from 10 days to 12 days due to the frozen position.
- **Building Division, Building Inspector position.** The Building Division also has a frozen Building Inspector position. The freezing of this position reduced the number of available Combination Building Inspectors from six to five, or a 17% reduction in staffing. This reduction results in less flexibility with respect to inspection scheduling and staff scheduling for vacations, training and other staff time requirements.

### **Library Services**

The Hayward Public Library provides numerous services to users through traditional book collections, internet access, and various weekly and monthly programs for both children and adults. These services are provided to the public through the Main Library and at the Weeks Branch Library on a 48 hour per week schedule.

- The Hayward Public Library is authorized to have 49.85 positions. Of this staffing level, 8.4 FTE's are frozen or a reduction of about 17% in staffing level.
- **Library Services.** Each year the Hayward Library averages 50,000 patrons each month in its two buildings. This large number of "customers" is served by the approximately 50 positions noted above. Currently, 8.4 positions consisting of one Librarian II, 1.5 Librarian I positions, 2.5 Library Assistant positions, 1.2 Senior Library and 1.2 Library Pages are frozen, reducing staffed positions to 41.15 FTE's.
- Service level impacts include less programming for adults and youth, reduced outreach to schools, longer lines to check out items and for

information services, more turnover time needed for returned items to be re-shelved, and delayed access to new materials.

- Remarkably, the Library has been able to meet customer demands with reduced staff. For example, effective July 1, 2004 the Library went from being open 56 hours per week to 48 hours per week. Patron counts for the periods before and after the reduction are essentially the same, 587,000 versus 545,000 on an annual basis. Similarly, circulation counts have remained steady at 756,000 before and 725,000 after the hours change.